

**CONFIDENTIAL**

Acting Chief, Finance Division

Deputy Comptroller

Life Insurance Coverage for Staff Agents under PL 598

- REF : (a) Memorandum from DCI to Assistant Director for Personnel dated 21 October 1954 - Subject: Federal Employees Group Life Insurance Act of 1954
- (b) Memorandum from DD/A to Comptroller dated 21 October 1954, Subject: Reimbursement of Insurance Premiums.

1. Memorandum reference (a) indicates that the Comptroller will be instructed to pay premiums on insurance coverage provided for staff agents until the Agency has communicated with each employee involved and determined whether coverage is desired. The memorandum further provides that when a positive answer has been received the Comptroller will cease paying the premiums and will be guided by the individual's desires. This memorandum indicates that if the employee elects to receive the insurance coverage his pay account will be charged for premiums from 28 August 1954 and if the individual declines coverage no collection will be made for the period for which he has been covered.

2. In implementation of the above policy directive, the DD/A has issued memorandum reference (b) stating that coverage and deductions of premiums from salaries of staff agents will be incurred automatically as of the effective date. This provision indicates that deductions will be made currently from amounts due staff agents pending their indication of their desires as to coverage under the Act. The memorandum specifically indicates that the cost of premiums incurred in connection with staff agents who desire to waive coverage shall be borne as an Agency expense.

3. This subject has been discussed with the Office of the General Counsel and as indicated on the original of this memorandum, that Office concurs with the authorization hereby made to the Finance Division to initiate deductions from the pay of staff agents for the premiums on the subject insurance. The first deduction should be made for the pay period beginning 7 November 1954 and should cover the retroactive period from 29 August 1954 through the current pay period for those staff agents for whom coverage had not previously been provided and deductions commenced.

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4. It is understood that in the cases of certain staff agents there is no payment made currently by the Finance Division for salary and in other cases the amount of payment is determined periodically based upon a statement of salary received from his cover organization or provided by the employee. In connection with each such employee the Finance Division is authorized to record as an advance to the employee the amount of premium on the life insurance coverage provided to him. The employee will be advised of the amount of such advance through the operating division concerned and appropriate arrangements will be made for settlement by the employee.

5. In accordance with the provisions of Public Law 598 the subject insurance coverage shall not apply to Agency personnel on active duty with the Army, Navy, Air Force, Marine Corps or Coast Guard of the United States.

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CONCURRENCE:

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Office of the General Counsel

TAS/FWG:jh (10 Nov 54)

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